



House of Representatives

File No. 804

General Assembly

January Session, 2011

(Reprint of File No. 20)

House Bill No. 6222
As Amended by House Amendment
Schedule "A"

Approved by the Legislative Commissioner
May 16, 2011

**AN ACT CONCERNING THE LEGISLATIVE COMMISSIONERS'
RECOMMENDATIONS FOR TECHNICAL CORRECTIONS TO
COMMERCE STATUTES.**

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 8-240p of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective from passage*):

3 There is established a pilot microloan program for microenterprises
4 under which the Commissioner of Economic and Community
5 Development shall make grants to the Community Economic
6 Development Fund or any other regional revolving loan programs
7 within the state. Said fund shall use [said grant] such grants to support
8 the growth and development of microenterprises.

9 Sec. 2. Subsection (c) of section 12-81r of the general statutes is
10 repealed and the following is substituted in lieu thereof (*Effective from*
11 *passage*):

12 (c) A municipality shall notify the Commissioner of Environmental
13 Protection, the Commissioner of Economic and Community

14 Development and the Secretary of the Office of Policy and
15 Management not later than thirty days after granting any abatement or
16 forgiveness of taxes or any fixed assessment under subsection (a) of
17 this section. Such notice shall provide the [owner] owner's or
18 purchaser's name, as the case may be, and the address of the property.

19 Sec. 3. Section 13b-20o of the general statutes is repealed and the
20 following is substituted in lieu thereof (*Effective from passage*):

21 Notwithstanding any provision of the general statutes, the
22 Department of Transportation may set aside any contract or portions
23 thereof, or require any general or trade contractor or any other entity
24 authorized by the department to award contracts to set aside a portion
25 of any contract for contractors or subcontractors that had gross
26 revenues not exceeding three million dollars in the most recently
27 completed fiscal year prior to the contract award. Nothing in this
28 [subsection] section shall be construed to diminish the total value of
29 contracts that are required to be set aside by the department pursuant
30 to section 4a-60g.

31 Sec. 4. Subsection (d) of section 32-9yy of the general statutes is
32 repealed and the following is substituted in lieu thereof (*Effective from*
33 *passage*):

34 (d) There is established an account to be known as the "small
35 business assistance account" which shall be a separate, nonlapsing
36 account within the General Fund. The account shall contain any
37 moneys required by law to be deposited in the account. [Repayment of
38 principal and interest on loans shall be credited to such fund and shall
39 become part of the assets of the fund. Any balance remaining in such
40 account at the end of any fiscal year shall be carried forward in the
41 fund for the fiscal year next succeeding.] All moneys received in
42 consideration of financial assistance, including payments of principal
43 and interest on any loans, shall be credited to the account. Moneys in
44 the account shall be expended by the Department of Economic and
45 Community Development for the purposes of the small business

46 assistance program established pursuant to subsection (b) of this
47 section.

48 Sec. 5. Section 32-56 of the general statutes is repealed and the
49 following is substituted in lieu thereof (*Effective from passage*):

50 (a) In view of the contemplated reduction in defense expenditures
51 by the federal government and the fact that Connecticut ranks first in
52 the nation on a per capita basis in defense contracts awarded, the
53 department shall engage special agent technologists who shall take
54 steps to assist [medium] medium-sized and small manufacturers to
55 find solutions for the problems related to defense conversion and in
56 executing adaptation to new technologies. Such assistance shall be
57 made available to medium-sized and small companies which lack
58 sufficient resources to keep abreast of new technologies in fields allied
59 to their own or in entering new markets not oriented to defense
60 production.

61 (b) It is found and declared that Connecticut ranks very high among
62 the states on a per capita basis in the amounts of prime defense
63 contracts awarded; that the economies of many areas in the state and
64 the employment opportunities offered by many businesses in the state
65 are heavily defense-dependent and would suffer severe adverse
66 impacts in the event of prime defense contract cutbacks or major
67 aerospace or defense plant closures; that, in the event that defense-
68 dependent areas or businesses in the state were severely impacted by a
69 prime defense contract cutback or major aerospace or defense plant
70 closure, there would be a serious need for non-defense-related
71 industrial and commercial development and activity in such areas or
72 by such businesses to provide and maintain employment and tax
73 revenues; that private and public capital investment in the
74 construction, renovation, and expansion of nondefense manufacturing
75 and other industrial facilities will best contribute to maintaining
76 employment and the existing tax base and to the development of a
77 wider-based and more balanced economy in the state; and that the tax
78 and other financial incentives provided by this section to encourage

79 such public and private investment in businesses and municipalities
80 severely impacted by prime defense contract cutbacks or major
81 aerospace or defense plant closure, are important and necessary
82 applications of the resources of the state in the exercise of its
83 responsibility to preserve the health, safety and general welfare in the
84 state of its people; and therefore the necessity, in the public interest
85 and for the public benefit and good, of the provisions of this section is
86 hereby declared as a matter of legislative determination.

87 (c) The [commissioner] Commissioner of Economic and Community
88 Development may determine that the economy of a municipality has
89 been severely impacted by a prime defense contract cutback or the
90 closure of a major aerospace or defense plant [closure] with not less
91 than eight hundred employees. The commissioner shall make such a
92 determination only after a public hearing, at which hearing
93 information shall be submitted to support the findings required by this
94 section.

95 (d) (1) In determining that a municipality has been severely
96 impacted by a prime defense contract cutback or the closure of a major
97 aerospace or defense plant [closure] with not less than eight hundred
98 employees, the commissioner shall find that (A) one or more
99 businesses in the municipality has experienced a cancellation of one or
100 more prime defense contracts [or major aerospace or defense plant
101 closure with not less than eight hundred employees, or subcontracts
102 entered into in connection with prime defense contracts,] or a
103 significant reduction in prime defense contract or related subcontract
104 awards or orders, or the closure of a major aerospace or defense plant
105 with not less than eight hundred employees; (B) such prime defense
106 contract cutback or major aerospace or defense plant closure has
107 caused or will cause a loss of employment opportunities in the
108 municipality; (C) such prime defense contract cutback or major
109 aerospace or defense plant closure [cutback] has caused or will cause a
110 severe adverse impact in the municipality. In making such findings the
111 commissioner may consider the extent to which the businesses in the
112 municipality are, or were at the period in time before the prime

113 defense contract cutback or major aerospace or defense plant closure
114 occurred, dependent on prime defense contracts or on subcontracts
115 related to such prime defense contracts or on the major aerospace or
116 defense plant; [closures;] the extent to which one or more prime
117 defense contractors in the municipality has or plans to reduce its work
118 force or the amount of defense subcontract awards or orders which
119 would be performed by businesses in the municipality; the extent to
120 which the unemployed in the municipality are or were defense
121 workers with specialized skills not easily transferable to other
122 industries; the existence of abandoned or underutilized defense-related
123 manufacturing facilities in the municipality; and any other factors
124 which the commissioner deems relevant to such finding.

125 (2) The commissioner's determination that a municipality is severely
126 impacted by a prime defense contract cutback or major aerospace or
127 defense plant closure shall be effective for two years from the date of
128 the decision of the commissioner. The commissioner may renew such
129 determination for two additional two-year periods following a public
130 hearing and upon making the findings required by this subsection.
131 Notwithstanding the provisions of this subdivision, if (A) a military
132 installation of the United States Department of Defense at which
133 military vehicle engines were produced is located in any such
134 municipality, (B) the military installation is closed pursuant to 10 USC
135 2687, and (C) the Department of Defense plans to convey the site of
136 said installation to said municipality, the determination by the
137 commissioner that the municipality is severely impacted by a prime
138 defense contract cutback or major aerospace or defense plant closure
139 shall remain effective until such conveyance and any environmental
140 remediation of the site are completed or until such time as the plant
141 has been reoccupied by another business, and such determination may
142 be renewed for a period not exceeding two years.

143 (e) Any business facility located in a municipality declared by the
144 commissioner to be severely impacted by a prime defense contract
145 cutback or major aerospace or defense plant closure pursuant to
146 subsection (c) of this section, which facility would be a "manufacturing

147 facility", as defined in subsection (d) of section 32-9p, but for the fact
148 that the facility is not in a "distressed municipality", as defined in
149 subsection (b) of section 32-9p, will be deemed a manufacturing facility
150 for the purposes of sections 32-9p to 32-9s, inclusive, section 12-217e,
151 and subdivisions (59) and (60) of section 12-81, if the purpose of the
152 construction, expansion, renovation or acquisition of such facility is
153 not dependent on prime defense contracts or related subcontracts. The
154 provisions of this section shall apply to a business facility located in a
155 building that was vacant on July 1, 1998, and was formerly used for
156 defense manufacturing or as a major aerospace or defense plant.

157 (f) Any municipality declared by the commissioner to be severely
158 impacted by a prime defense contract cutback or major aerospace or
159 defense plant closure will be deemed a distressed municipality under
160 sections 8-190 and 8-195 for the purpose of assisting non-defense-
161 dependent projects.

162 Sec. 6. Subdivision (4) of subsection (b) of section 38a-88a of the
163 general statutes is repealed and the following is substituted in lieu
164 thereof (*Effective from passage*):

165 (4) The credit allowed by this [section] subsection may be claimed
166 only with respect to a subject insurance business which (A) occupies
167 the new facility for which an eligibility certificate has been issued by
168 the commissioner and with respect to which the certification required
169 under subdivision (6) of this subsection has been issued as its home
170 office, and (B) employs not less than twenty-five per cent of its total
171 work force in new jobs.

172 Sec. 7. Subdivision (3) of subsection (c) of section 38a-88a of the
173 general statutes is repealed and the following is substituted in lieu
174 thereof (*Effective from passage*):

175 (3) On or before July 1, 2010, the Commissioner of Economic and
176 Community Development shall begin to accept applications for
177 certification as an insurance reinvestment fund and for allocations of
178 tax credits under this subsection. Applications shall include: (A) The

179 amount of eligible capital the applicant will raise; (B) a nonrefundable
 180 application fee of seven thousand five hundred dollars; (C) evidence of
 181 satisfaction of the requirements of the definition of "insurance
 182 reinvestment fund" pursuant to subparagraph (F) of subdivision (1) of
 183 this subsection; (D) an affidavit by each taxpayer committing an
 184 investment of eligible capital; (E) a business plan detailing (i) the
 185 approximate percentage of eligible capital the applicant will invest in
 186 eligible businesses by the third, fifth, seventh and ninth anniversaries
 187 of its allocation date, (ii) the industry segments listed by the North
 188 American Industrial Classification System code and percentage of
 189 eligible capital in which the applicant will invest, (iii) the number of
 190 jobs that will be created or retained as a result of the [applicants]
 191 applicant's investments once all eligible capital has been invested, (iv)
 192 the percentage of eligible capital to be invested in eligible businesses
 193 primarily engaged in conducting research and development or
 194 manufacturing, processing or assembling technology-based products;
 195 and (v) a revenue impact assessment demonstrating that the
 196 applicant's business plan has a revenue neutral or positive impact on
 197 the state; (F) a commitment to invest at least twenty-five per cent of its
 198 eligible capital in green technology businesses; and (G) a commitment
 199 to invest by the third anniversary of its allocation date, three per cent
 200 of its eligible capital in preseed investments in consultation with
 201 Connecticut Innovations, Incorporated, pursuant to the corporation's
 202 program for preseed financing established pursuant to section 32-41x.
 203 The commissioner may require the applicant to obtain a revenue
 204 impact assessment conducted by an independent third party.

This act shall take effect as follows and shall amend the following sections:

Section 1	<i>from passage</i>	8-240p
Sec. 2	<i>from passage</i>	12-81r(c)
Sec. 3	<i>from passage</i>	13b-20o
Sec. 4	<i>from passage</i>	32-9yy(d)
Sec. 5	<i>from passage</i>	32-56
Sec. 6	<i>from passage</i>	38a-88a(b)(4)

Sec. 7	<i>from passage</i>	38a-88a(c)(3)
--------	---------------------	---------------

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note

State Impact: None

Municipal Impact: None

Explanation

This bill makes technical changes, including changes of reference, word usage, and grammar, which have no fiscal impact.

House "A" makes a technical change that does not result in a fiscal impact.

The Out Years

State Impact: None

Municipal Impact: None

OLR Bill Analysis**HB 6222 (as amended by House "A")******AN ACT CONCERNING THE LEGISLATIVE COMMISSIONERS' RECOMMENDATIONS FOR TECHNICAL CORRECTIONS TO COMMERCE STATUTES.*****SUMMARY:**

This bill makes technical changes in various economic development statutes.

*House Amendment "A" makes additional technical changes.

EFFECTIVE DATE: Upon passage

COMMITTEE ACTION

Commerce Committee

Joint Favorable

Yea 17 Nay 0 (02/15/2011)